

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES

Call to Order: By **CHAIRMAN EDITH CLARK**, on February 18, 2003 at 8:14 A.M., in Room 472 Capitol.

ROLL CALL

Members Present:

Rep. Edith Clark, Chairman (R)
Sen. John Cobb, Vice Chairman (R)
Rep. Dick Haines (R)
Rep. Joey Jayne (D)
Sen. Emily Stonington (D)

Members Excused: Sen. Bob Keenan (R)

Members Absent: None.

Staff Present: Robert V. Andersen, OBPP
Pat Gervais, Legislative Branch
Lois Steinbeck, Legislative Branch
Sydney Taber, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed. The time stamp refers to material below it.

Committee Business Summary:

Hearing & Date Posted: AMDD - Adult Mental Health
Public Testimony on SAAs
Executive Action: HPSP
DSD
SLTC

{Tape: 1; Side: A; Approx. Time Counter: 1.1 - 8}

Lois Steinbeck, Legislative Fiscal Division (LFD), distributed a bill draft requested by the Subcommittee for an act directing the Department of Public Health and Human Services (DPHHS) to seek federal funds to offset general fund expenditures to the maximum extent possible. Referring to Section 2, subsection (1)(c) of the bill draft, **SEN. COBB** suggested that they may wish to sunset this language rather than have it be ongoing. **Ms. Steinbeck** said that it is the meat of the proposal, and this is where the Subcommittee may wish to have items restored in the next biennium if there are extra funds. The language, as written, delegates the decision almost exclusively to the executive branch. If the Subcommittee wishes to be more specific about items it would like restored, this section would be the appropriate place to list those services.

EXHIBIT(jhh36a01)

{Tape: 1; Side: A; Approx. Time Counter: 8 - 13.5}

Responding to a query from **REP. JAYNE** regarding an underline in Section 4, subsection (5), **Pat Gervais, LFD**, explained that it referenced language in Section 2, subsection 2(c), which gives the Office of Budget and Program Planning (OBPP) approval authority for any service reinstatement. **SEN. STONINGTON** suggested that the language was appropriate since the legislature would most likely not be in session should there be increased funds, and the Department would need some direction. **REP. JAYNE** added that she would like to see some sort of mechanism to evaluate and put a sunset on the use of funds obtained by refinance. **SEN. STONINGTON** commented that one-time-only funding would serve to provide review and funding, and **REP. HAINES** added that it would be more palatable to have a sunset clause included.

{Tape: 1; Side: A; Approx. Time Counter: 13.5 - 20.1}

Ms. Steinbeck observed that when sections of code are temporary it becomes very confusing. She suggested that if they wish to sunset statute, an alternative would be to specifically identify the things that the refinance money can be used for subject to approval of OBPP. It may then be no longer necessary to amend other sections. **SEN. STONINGTON** agreed that additions of contingencies and sunsets have expanded the codes and made them more confusing and said that if they could write something that could be manageable through time and remain in code, it would perhaps be preferable to a sunset. **SEN. COBB** suggested that perhaps "as appropriated by legislature" be added to the language in the bill draft. **Ms. Steinbeck** said that she would discuss language with legal staff that could specify in HB 2 actual refinancing initiatives that would be authorized by the

legislature subject to OBPP approval. It could probably be referenced in HB 2. **SEN. STONINGTON** said that she thought they were going to want a hard look at the plan in two years, so perhaps they could direct staff to look into this with Mr. Petesch.

{Tape: 1; Side: A; Approx. Time Counter: 20 - 26}

Ms. Steinbeck said that the discussion should center on what reductions included in the Executive Budget are already implemented in Department rule, and which of those they are planning to make permanent. If the Subcommittee wanted to make sure that the reduction was not made, there would need to be a Subcommittee bill directing the Department on what it is prohibited from doing. Many of the decision packages (DP) are within the executive discretionary authority in statute to implement, regardless of whether the legislature funds them or not. Simply removing funding for a function does not withdraw permission of the executive branch to perform the function. The permission to perform or not perform a function is granted in statute. The Subcommittee may wish to consider a committee bill or adoption of reductions that it has deferred action on if it looks like those are the preferred alternatives that the executive branch may continue to implement after the legislature is gone.

{Tape: 1; Side: A; Approx. Time Counter: 26 - 30}

SEN. STONINGTON said that she is not clear where regular rule, emergency rule, contractual rule, or Department discretion governs in terms of how the budget cuts and expansions are handled. Addressing some of the issues raised by **SEN.**

STONINGTON, Ms. Steinbeck commented that the executive branch needs as much flexibility as possible to handle any potential budgetary circumstance that may arise. There is a potential, despite best intentions, that the Department might enact a reduction that is more onerous or less desirable than the Subcommittee would want. She noted that the only way for the Subcommittee to ensure its wishes are met is to change statute. There is no authority for it to act on anything during the interim.

{Tape: 1; Side: A; Approx. Time Counter: 30 - 50.7}

Responding to a question from **REP. JAYNE, Ms. Steinbeck** explained that the discussion they are having is an attempt to identify policy issues prior to looking at decision packages. The executive has implemented reductions in advance of the session that are also included as new proposals in the Executive Budget. One of the proposals is an eligibility change for Medicaid, which impacts three divisions. The Subcommittee has deferred on these, preferring to look at eligibility changes as a single decision.

They will be considering those actions that the Department has already taken to reduce general fund which are negative general fund packages and are considered new proposals. Examples of such actions are the eligibility changes, provider rate reductions, and the Mental Health Services Plan (MHSP) reductions. If the Subcommittee does not wish these changes to be made permanent, it needs to enact statutes to prevent this.

Using the example of DP 996, **Ms. Steinbeck** said that this change in Medicaid eligibility standards is a policy issue that effects three divisions, Senior and Long Term Care (SLTC), Addictive and Mental Disorders Division (AMDD), and Health Policy Services Division (HPSD). The Subcommittee has requested that this decision be treated as one in order to apply consistency across the agency. Eligibility for services, except for waiver eligibility, is determined the same across all programs. This eligibility change has the greatest impact in SLTC. The eligibility changes that they are discussing are: elimination of real property for sale exclusion, changing the treatment of income for contracts for deed, exclusion of the value of life estates when it is used as income, and limiting the exclusion of home property upon the intent to return home.

In continued discussion of this policy issue, **Bob Andersen, OBPP**, observed that when the legislature sets limits on what the executive can do, the executive is forced to make reductions in other areas. They try to stay within the budget, but if they are restricted to where they can find savings, the savings will come out of undefined areas.

{Tape: 1; Side: B; Approx. Time Counter: 0.3 - 7.2}

Mr. Andersen cited the example of Families Achieving Independence in Montana (FAIM) Phase II R, whereby if it had been put in statute, they would have had to reduce benefits at the expense of many of the programs that the legislature had put in place. They gave the executive the language of intent, which it followed to the letter, and that is the difference between what is being contemplated here and what it would like to put in place. The legislature already has a control in the level of the budget and the direction given as to where it should be spent. **John Chappuis, Deputy Director of DPHHS**, stated that he would prefer that these reductions be made permanent and that DPHHS would not override legislative instructions. They took the cuts believing that they are the right thing to do, and that they should be permanent. **Gail Gray, Director of DPHHS**, added that they would have the choice in rule to reinstate the reductions should the economy improve. They felt that this reduction would be less harmful than cutting hospice or Meals-on-Wheels.

{Tape: 1; Side: B; Approx. Time Counter: 7.2 - 11.1}

In response to questions from **REP. JAYNE** as to how the cuts are made and what recourse those who disagree with the decisions that are made would have, **Hank Hudson, Administrator of Human and Community Services Division (HCSD)**, said that there is a fair hearing or administrative review process in place.

EXECUTIVE ACTION ON SENIOR AND LONG TERM CARE DIVISION

{Tape: 1; Side: B; Approx. Time Counter: 11.1 - 14.5}

Motion: **SEN. STONINGTON** moved TO ADOPT DP 996, **ELIGIBILITY REDUCTIONS IN SENIOR AND LONG TERM CARE, HEALTH POLICY SERVICES DIVISION, AND ADDICTIVE AND MENTAL DISORDERS DIVISION.**

Discussion:

REP. HAINES summarized that the executive can still make reductions if it needs to, and the only way to prevent them from doing what the legislature does not want is through statute.

SEN. STONINGTON said that the cuts have already been made and the motion just authorizes the budget reduction corresponding to the cuts.

{Tape: 1; Side: B; Approx. Time Counter: 14.5 - 16}

Vote: Motion carried 4-2 with **REP. HAINES** and **REP. JAYNE** voting no on a voice vote. **SEN. COBB** cast his vote within the 24-hour rule. **REP. CLARK** voted **SEN. KEENAN'S** proxy.

{Tape: 1; Side: B; Approx. Time Counter: 16 - 21.5}

Responding to a question from **Ms. Steinbeck** regarding the reduction in physician visits to ten per year and whether it had been adopted through rule, Department response indicated that it had not been. She then said that the provider rate reductions will be changed to 1.87 percent in all areas except pharmacy and primary care. The reductions will not be as severe as they are at present. End Stage Renal Disease is not going to be cut, which is why the rates went from 1.87 percent to 2 percent.

{Tape: 1; Side: B; Approx. Time Counter: 21.5 - 42.6}

In discussion of DP 253, **Ms. Steinbeck** said that the proposal uses funds allocated by I-146 as match for Medicaid. In explanation of I-146, she said that it is a voter passed initiative which allocates 32 percent of the tobacco settlement money to tobacco prevention and cessation, and 17 percent to the Children's Health Insurance Program (CHIP) and Montana Comprehensive Health Association (MCHA). About \$2.6 million of the money allocated for CHIP and MCHA is being used to offset

Medicaid general fund costs. Legislative legal staff says that a statutory amendment is needed to use CHIP funds for Medicaid match. Should the Subcommittee wish to adopt this decision package, **Ms. Steinbeck** recommended that they adopt a subcommittee bill to amend statutes created by I-146 to allow the money allocated to CHIP to be used for Medicaid. **Director Gray** suggested that if they were going to use some of the additional tobacco settlement money for tobacco use prevention then it should be tied into one bill as well. **Mr. Andersen** added that when the executive used it for Medicaid match, they used it for the CHIP program.

{Tape: 1; Side: B; Approx. Time Counter: 42.6 - 49.5}

SEN. STONINGTON suggested that rather than amending statute for I-146, perhaps delaying implementation would be a simple means to get the desired result. She added that there is a bill to increase the CHIP eligibility to 200 percent of the poverty rate, and she asked for a comment on the effect the bill may have.

{Tape: 2; Side: A; Approx. Time Counter: 0.4 - 2.6}

Mary Knoll, DPHHS, said that even if the bill passed and CHIP eligibility were raised to 200 percent, without additional money, the Department would not change rule to increase the costs. There would be no waiting list. **Ms. Steinbeck** added that one thing the bill would do is allow the Department to do waivers with CHIP funds to refinance Developmental Disabilities (DD) and to increase eligibility up to 200 percent. Children's Services within DD has looked at a two-pronged approach to refinance, through a Medicaid waiver, and, if necessary, through a CHIP waiver. Without the statutory change, a waiver could not go up to 200 percent of poverty. This would not require additional funding because it would be using general fund already existing in DD appropriations.

EXECUTIVE ACTION ON HEALTH POLICY SERVICES DIVISION

{Tape: 2; Side: A; Approx. Time Counter: 3.8 - 10.5}

Motion: **SEN. STONINGTON** moved TO ADOPT DP 253, THE FUND SWITCH FOR THE CHIP PROGRAM AND TO CLARIFY IN THE COMMITTEE BILL ON I-146 THAT THIS IS AN ALLOWABLE USE FOR MEDICAID MATCH.

Discussion:

In explanation to the Subcommittee, **Ms. Steinbeck** said that this is a funding switch to implement I-146 regarding CHIP funds. The issue raised by LFD is that I-146 funds are also being used to match Medicaid. **SEN. STONINGTON** said that she would make a motion to include in the committee bill a provision that clarifies this as an allowable match for Medicaid. At this

point, the switch is allowable, but the use of money as match for Medicaid is questionable. **REP. JAYNE** requested that they separate the two items since they are two separate issues. **SEN. STONINGTON** revised her motion to remove the part about the matching Medicaid funding.

Motion: **SEN. STONINGTON** moved HER REVISED MOTION TO ADOPT DP 253 AS PRESENTED.

Discussion:

Mr. Andersen explained that there are two SSR accounts that are set up to by I-146, for tobacco prevention and for CHIP. This one deals with CHIP, a previous initiative allocated 40 percent of the tobacco settlement to the tobacco trust fund, and the interest from that trust goes into a variety of programs.

{Tape: 2; Side: A; Approx. Time Counter: 10.4 - 15.6}

Vote: Motion carried 6-0 on a voice vote. **SEN. COBB** cast his vote within the 24-hour rule. **REP. CLARK** voted **SEN. KEENAN'S** proxy.

REP. HAINES asked if this could be clarified by statute or if it would be decided in the courts given that there were two different legal opinions as to the legality of this. **Ms. Steinbeck** replied that I-146 created a statute, and as long as it is clarified that this is an allowable use it is legal. They are at risk if using this for Medicaid. **Mr. Andersen** said that the executive had no problem with clarification, it just did not think it was necessary.

{Tape: 2; Side: A; Approx. Time Counter: 15.6 - 25}

REP. JAYNE asked if there would be \$2.6 million less in CHIP as a result of DP 253 and requested more clarification on the impact of DP 253. **Ms. Steinbeck** replied that I-146 created several SSR accounts and allocated 17 percent of the tobacco settlement proceeds in an SSR to be used for CHIP and Montana Comprehensive Health Association (MCHA); it is a statutory provision not a constitutional provision. The Executive Budget takes \$7.1 million from the 17 percent and offsets general fund expenditures. It then funds the CHIP match from the SSR instead of from the general fund. The Executive Budget uses \$2.6 million from the 17 percent as matching funds for Medicaid. This leaves \$1.7 million from the 17 percent allocation which goes to MCHA.

{Tape: 2; Side: A; Approx. Time Counter: 25 - 28}

Without objection, **REP. JAYNE** changed her vote on DP 253 from yes to no.

Vote: Motion carried 5-1 on a voice vote.

EXECUTIVE ACTION ON DISABILITY SERVICES DIVISION

{Tape: 2; Side: A; Approx. Time Counter: 28 - 29.3}

Pat Gervais, LFD, reviewed the revisions of DP 294 and DP 297.

EXHIBIT (jhh36a02)

Mr. Mathews assured the subcommittee that the net effect of this decision package on people would be zero.

{Tape: 2; Side: A; Approx. Time Counter: 33.5 - 38.3}

Motion/Vote: SEN. STONINGTON moved TO ADOPT DP 294, (AS REVISED AND HANDED OUT), REFINANCE COMMUNITY SUPPORT AND SENIOR AND SUPPORTED LIVING. Motion carried 6-0 on a voice vote. SEN. COBB cast his vote within the 24-hour rule. REP. CLARK voted SEN. KEENAN'S proxy.

{Tape: 2; Side: A; Approx. Time Counter: 38.8 - 42.3}

Motion: SEN. STONINGTON moved TO ADOPT DP 297, (AS REVISED AND HANDED OUT), PROVIDER RATE REDUCTION REFINANCE.

Discussion:

Responding to a Subcommittee request for comment on this revision, **Mr. Mathews** said that DP 297 would substitute federal funds for general funds, and it would allow them to not reduce provider rates of not-for-profit providers in the community.

{Tape: 2; Side: A; Approx. Time Counter: 42.3 - 43.8}

Vote: Motion carried 6-0 on a voice vote. REP. CLARK voted SEN. KEENAN's proxy.

{Tape: 2; Side: A; Approx. Time Counter: 43.8 - 49.5}

Ms. Gervais moved on to the bottom half of Exhibit 2 and said that these figures reflect the necessary revision for Eastmont closure: an increase in the general fund appropriation for closure of Eastmont by \$1.1 million in FY04, and a decrease in the general fund appropriation in FY05 by \$1.2 million. This change would realize a net savings of \$140,000. Included in the first year of the biennium are some one-time-only costs. The Subcommittee may wish to provide \$580,000 in FY04 as a one-time-only appropriation for employee pay outs and start-up costs that would potentially not be ongoing in the next biennium. She also suggested that they may wish to restrict the one-time-only appropriation in the event that the one-time costs are not as

great as projected. This would result in the leftover funds reverting.

{Tape: 2; Side: B; Approx. Time Counter: 0.1 - 2.3}

Referring to DPs 91, 92, and 95 on Exhibit 2, **Ms. Gervais** said that should Eastmont not close, the executive request included these decision packages totaling \$1.9 million to be appropriated. In actuality, they are seeing almost a \$3.8 to \$4 million savings if Eastmont closes on or before December 31 compared to the Executive Budget request. When compared to the legislative action to date in this Subcommittee, there is an additional \$140,000 savings.

{Tape: 2; Side: B; Approx. Time Counter: 2.3 - 13}

Motion: SEN. COBB moved TO CHANGE THE BUDGET TO PROVIDE \$1.1 MILLION GENERAL FUND IN FY04, TO REDUCE FY05 BY \$1.2 MILLION, AND TO PROVIDE \$580,000 OF THE \$1.1 MILLION AS A ONE-TIME-ONLY RESTRICTED APPROPRIATION.

Discussion:

SEN. STONINGTON asked if they were being overly generous or on target with people working at Eastmont, given the budget constraints under which they are working. **Mr. Mathews** responded that they are being consistent with what has gone before. The severance pay and retirement pay outs will need to be negotiated with the labor unions. **Ms. Gervais** suggested that the Subcommittee could revise the decision package and could adopt language which indicates that, if the bill is not passed and approved, they would appropriate the additional \$1.9 million per year to maintain both facilities. There was further discussion of this issue and its impact on the Subcommittee's bottom line. **Ms. Gervais** said that she would need to modify the language to include funding for 20 FTE as well as providing the \$1.9 million per year. The language would have the intent, but would be edited to be appropriate format for HB 2.

{Tape: 2; Side: B; Approx. Time Counter: 13 - 13.7}

Motion/Vote: SEN. COBB moved A NEW DP WHICH WOULD REVISE THE BUDGET BY MOVING FUNDS BETWEEN THE TWO YEARS TO REFLECT THE DEPARTMENT'S PLANS TO CLOSE EASTMONT; IT WOULD PROVIDE \$580,000 OF THE APPROPRIATION AS A ONE-TIME-ONLY RESTRICTED APPROPRIATION; AND IT WOULD INCLUDE LANGUAGE IN HB 2, SUCH THAT IF THE BILL TO CLOSE EASTMONT FAILED, THE \$1.9 MILLION PER YEAR AND 20 FTE WOULD BE ADDED BACK TO FUND BOTH INSTITUTIONS. Motion carried 4-1 with REP. JAYNE voting no on a voice vote. SEN. KEENAN's proxy was not voted.

HEARING ON AMDD - ADULT MENTAL HEALTH SERVICES

{Tape: 2; Side: B; Approx. Time Counter: 13.7 - 49.5}

Referring to Exhibits 3 and 4 and responding to questions from **SEN. STONINGTON, Dan Anderson, Administrator of Addictive and Mental Disorders Division (AMDD)**, said that if they require Community Mental Health Centers (CMHC) to help with pharmacy, there is sufficient funding within this budget to serve non-Medicaid adults. In further clarification, he said that if pharmacy were included in the proposal, they would be able to serve one-third fewer consumers based on the FY02 costs. **Ms. Steinbeck** said that the proposal is independent of the number of people estimated by the Department to need services. CMHCs are required to serve everyone as the gatekeeper to the state hospital. It is conceivable that it could require CMHCs to serve persons with incomes above 150 percent of the poverty level who are ineligible for Medicaid and Medicare and have no private insurance. **Mr. Anderson** concurred that the gatekeeping bill would require the CMHCs to screen anyone who is referred for admission to the state hospital, which is the default in the mental health system. If they cannot put together a system that is sufficient, many of these consumers will end up at MSH.

EXHIBIT(jhh36a03)

EXHIBIT(jhh36a04)

Ms. Steinbeck said that providers like the proposal and bill if there is another \$4 million general fund per year, but that it cannot be done otherwise. It is problematic because the executive says that the bill is doable within the Executive Budget funding level. One of the issues raised by the executive proposal as it is presented, is its feasibility. The major question remains whether it is doable within the Executive Budget. **SEN. STONINGTON** interjected that it is doable if you serve one-third fewer people and put CMHCs at risk of not being able to stay solvent. There was further discussion of this issue.

HEARING ON PUBLIC TESTIMONY ON SERVICE AREA AUTHORITIES -SAA

{Tape: 3; Side: A; Approx. Time Counter: 1.1 - 11.1}

Jim Fitzgerald, Central Service Area Authority (CSAA) Task Force, distributed and reviewed a handout. He emphasized that those involved with the CSAA Task Force are all volunteers, and they have contributed many hours to this project. He added that they are committed to the idea of the Service Area Authority and feel that the planning stages have gone well. They believe that they have something to contribute to the solution. CSAA is at the

stage in planning where it will need some staff funding so that they can begin to take over some of the services provided by the Mental Health Services Bureau. They would like at least one FTE to begin putting in place the functions that will ultimately make them successful. The central region is ready to go forward, but it needs seed money from the Department.

EXHIBIT(jhh36a05)

{Tape: 3; Side: A; Approx. Time Counter: 11.1 - 15.2}

Mr. Anderson responded to Subcommittee questioning that the work with the SAA has been a valuable process. The budget does not include an FTE for the SAA, but the SAA is at a point where it can move forward to do real things, such as consumer family training, state hospital utilization reviews, and reviews of CMHC gatekeeping. The Division has committed one FTE, another staff member, and a contract facilitator to work with the SAA over the last year. If the answer to the Medicaid redesign is some sort of regional stakeholder body, this is time, while the Department is looking at the management of the entire Medicaid and healthcare system, for the SAA concept to be front and center.

{Tape: 3; Side: A; Approx. Time Counter: 15.2 - 20}

Sally Miner, a member of the CSAA Task Force, said that it is essential to allow the consumer within the decision-making process or consumers will lose trust and the system will not work. The CSAA is building trust and communication with the Department. They have never requested money before, but do need one FTE in order for the process to move forward. They have been through the planning process, have developed a plan, and are ready to embark on something concrete. She said that they would like to meet with the Department while here, to determine the direction they will take and what kind of funding they will need. She touched on the idea of a demonstration model and stressed that they do need resources.

{Tape: 3; Side: A; Approx. Time Counter: 20 - 25.3}

SEN. STONINGTON asked **Mr. Anderson** if he had the budget flexibility and was prepared to move resources toward making the regional SAA a reality. **Mr. Anderson** replied that they are prepared; he would like to see them do management functions that are part of the mental health system already, and it would not be a stretch to partner with the SAAs for this process when it is ready. **SEN. STONINGTON** said that she would like the legislature to be informed on this process.

{Tape: 3; Side: A; Approx. Time Counter: 25.3 - 26.8}

Joan-Nell McFadden, member of the CSAA Task Force, addressed the Subcommittee and said that she hopes that the legislature will

endorse the concept of the SAA and provide the needed resources so that they can develop a strong SAA.

{Tape: 3; Side: A; Approx. Time Counter: 26.8 - 28.2}

Responding to a question from **REP. JAYNE** regarding the statutory authority for SAAs, **Mr. Anderson** said that it is not statutorily authorized, but **SEN. KEENAN** has a bill which will put in SAAs in statute, not giving them any specific statutory authority, but giving the Department the ability to delegate some authority to them.

{Tape: 3; Side: A; Approx. Time Counter: 28.2 - 31.6}

Anita Roessman, attorney for the Montana Advocacy Program (MAP) and member of the CSAA Task Force, emphasized that they are trying to create a managed care system for mental health services, by and for the people. They want to do this on a local and regional level. They want to manage it on their terms, looking not just at what services dollars pay for, but also at what outcomes the dollars are getting. Doing this at the regional level will bring more continuity and stability to the system. According to the Technical Assistance Collaboration (TAC) of several years back report, SAAs could manage approximately \$30 million per year per region. They will require at least one staff person to help get this done.

{Tape: 3; Side: A; Approx. Time Counter: 31.6 - 33}

Kathleen Nelson, mental health services consumer and CSAA Task Force member, said that she believe in the system and principles they are trying to create, and that it will work.

{Tape: 3; Side: A; Approx. Time Counter: 33 - 36.8}

David Beloate, CSAA Task Force member, was adamant that consumers be involved in the process or the system will not work as intended.

{Tape: 3; Side: A; Approx. Time Counter: 36.8 - 42.4}

Dr. Mike McLaughlin, CSAA Task Force member, said that a major issue is recovery from mental illness, and there is a need for improvement in the delivery system. He said that SAAs provide opportunity to create a system which focuses on recovery from mental illness, not just maintenance. He stressed the need for peer counseling training and education of family members, especially in rural areas.

EXHIBIT (jhh36a06)

{Tape: 3; Side: A; Approx. Time Counter: 42.4 - 49.5}

REP. HAINES asked **Mr. Fitzgerald** what the SAAs will do that the Mental Health Services Bureau (MHSB) cannot. **Mr. Fitzgerald** said that the SAA brings together families, consumers, and advocates in each community, which is a logistical limitation for the MHSB. He views SAA involvement as a partnership with the bureau. He conceded that if MHSB had staff scattered to the different regions, perhaps the SAA would not be seen as necessary, but it was important to continue to involve family, consumers, and advocates in the process. **REP. HAINES** said that it looked like he was saying that the MHSB could do what the SAAs propose to do and questioned the need for another layer of bureaucracy. **Mr. Fitzgerald** responded that he did not see this as another layer, but as stakeholder participation. What has been done to this point is costly to both the consumer and State.

{Tape: 3; Side: B; Approx. Time Counter: 0.5 - 11.2}

Continuing the dialogue, **REP. HAINES** said that they are creating an entity for which they want state funding, and he questioned the need, given a bureau which is supposed to handle this. **Mr. Fitzgerald** again emphasized that they are trying to build a service delivery system which will be responsive to the needs of consumers, family members, and advocates. He added that there are many ways to achieve the same result. **REP. HAINES** asked what the bureau is not doing and why. **Mr. Fitzgerald** said that it is not adequately staffed to do the work: some of the work is done, some is not, and some is not done well. Responding to questions as to whether the SAA Congress could be taxed to fund the SAA, **Mr. Fitzgerald** said that the Congress is composed of families, advocates, consumers, and several providers, and the only taxable entities would be the providers. He stated that they could not fund the organization.

{Tape: 3; Side: B; Approx. Time Counter: 11.2 - 19.6}

Ms. Miner added that the partnership concept is what makes the SAA unique. They do not want to create another layer, but do want support and input. They view the SAA as a gatekeeper that reviews outcomes, not a service provider. They have no wish to duplicate services. She iterated that they would like to have a meeting with AMDD, and then they would be able to answer questions more clearly on what it is they would be doing, and how much seed money they would need. **REP. HAINES** said that it is not a matter of whether this should be done, but how it should be done. **Ms. Miner** said that while they would like some seed money from the State, they will also be writing grants to seek funding from corporations and other government agencies. This process will not work without funding for staff.

{Tape: 3; Side: B; Approx. Time Counter: 19.6 - 23.7}

Responding to questions from **REP. HAINES**, **Ms. Roessman** emphasized that AMDD is a fee for service system and that the waste is enormous. The TAC report recommended that the State move toward a regional mental health management model after the failures of the last 20 years. SAAs are regional managed care along the recommended lines. **REP. HAINES** observed that this appears to be an indictment of the Mental Health Services Bureau, and **Ms. Roessman** replied that was true, but the important thing was to look to the future.

{Tape: 3; Side: B; Approx. Time Counter: 23.7 - 29}

REP. JAYNE asked **Mr. Anderson** how much of what the SAA is doing the Department is also doing. **Mr. Anderson** replied that the SAA is in planning stages, but that the functions he hopes it will be doing are all functions currently done by AMDD staff or contractors.

{Tape: 3; Side: B; Approx. Time Counter: 29 - 36.5}

Responding to more questions from **REP. HAINES**, **Ms. Roessman** said that they would need funding for one FTE to start, but that they would get grants elsewhere. She noted that there are many planning and start-up grants out there, and they would be eligible for both of those. The process is a year old, and they have been working on by-laws for incorporation. Their goal is peer-run crisis planning and empowerment for consumers.

ADJOURNMENT

Adjournment: 11:40 A.M.

REP. EDITH CLARK, Chairman

SYDNEY TABER, Secretary

EC/ST

EXHIBIT (jhh36aad)